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ABSTRACT

This report, while urging increased federal aid to elementary and secondary education, cautions that the manner in which these dollars are disbursed is also critical. The author outlines some of the problems of categorical aid programs and suggests that the revenue sharing concept may be a preferable mechanism for providing general aid to education. (JF)

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ADDRESS BEFORE

COUNCIL OF CHIEF STATE SCHOOL OFFICERS

NOVEMBER 15, 1971

BY CONGRESSMAN JOHN DELLENBACK OF OREGON

For the past several years - ever since I've been in Congress - there's been a great deal of rhetoric about the need to overhaul the mechanisms which provide federal aid to education, particularly elementary and secondary education. A great deal of rhetoric, some "oversight" hearings, a few proposals - but little action and no significant reform.

Now there are signs of a new impetus for reform, stemming in part from the Serrano v. Priest case decided by the California Supreme Court this past August.

Even though it is still too early to do much solid predicting about what the ultimate implications of the Serrano case will be, and even though there is still a possibility of reversal by the U.S. Supreme Court, at least one effect of the case is clear already: it has stimulated a fresh look at the problems of educational financing.

I believe this renewed attention to the issue of how to finance our public schools is wholly desirable. While it may be too early to try to draw many specific conclusions from Serrano, it is not too soon for both the state legislatures and the United States Congress to start looking closely at some of the alternatives in the area of educational financing.

At least part of the message of Serrano to the federal government will be that the federal contribution to the elementary and secondary

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school financing pie must be greater than the current 7%.

The question of how many federal dollars for elementary and secondary education is indeed vital. But I am convinced the question of how these dollars are to be disbursed is just as critical at this time. It is foolhardy for the future of educational financing to demand that federal aid increase without giving the necessary careful attention to the means by which these dollars are to be distributed.

It's worth taking a brief look at the history of federal aid to education to see how we ended up with the mechanisms which we have at present.

Daniel Moynihan has aptly described the history of federal aid to higher education as a series of "great bursts of federal aid and categorical programs." I think the description applies just as well to the history of federal aid to education at all levels. The last two bursts have been, first, aid prompted by Sputnik ... assistance specifically geared to upgrading the teaching of science. And second, dollars directed to meeting the needs of poverty and inequality of educational opportunity which became the focus of national concern in the '60's.

As Secretary of Health, Education and Welfare Elliott Richardson pointed out in recent testimony before the Subcommittee on Education of the Senate Labor and Public Welfare Committee, categorical aid programs have been useful "as a process of conditioning the public to the need for federal support of education."

I think the Secretary made an excellent point. The public could accept federal aid to education when it came gift-wrapped in a "we can't let the Russians beat us in space" covering as the National Defense

Education Act most certainly was.

Categorical aid has obviously been helpful in more ways than gaining public approval for a concept that had been anathema for years. Some of these programs have also been unquestionably beneficial in upgrading educational quality throughout the nation.

Through categorical aid programs, the federal share of the funds supplied to all educational institutions in the United States has increased from just under 7% in 1960 to almost 12% in 1971. In dollars the growth has been from $1.7 billion in 1960 to 8.8 billion in 1971.

But the federal share of elementary and secondary public school financing is less than what it is for the total educational picture. As I indicated earlier, the estimated percent of revenue for public elementary and secondary schools from the federal government is currently only about 7% - compared to the overall 12%.

For a number of reasons, I question whether categorical aid is the most effective mechanism to use to continue to provide federal dollars to these schools. To my way of thinking, there are several serious drawbacks in the utilization of categorical aid programs.

First of all, the maze of red tape which the system of categorical aid has created is legendary, and I'm sure I needn't elaborate this point to you. It permeates all levels of educational administration and threatens literally to strangle efficiency and effectiveness. Categorical aid programs each require separate applications with separate procedures and guidelines, with the result that a substantial number of personnel at all levels - local, state and federal - must spend inordinate amounts of time filling out and checking countless forms.

Second, the system has unduly rewarded the district skilled in grantsmanship, often the large districts, at the expense of other districts, generally the smaller ones. My Congressional District in Southwestern Oregon includes a number of smaller school districts, and it is particularly disturbing to me that these districts are too often overwhelmed in the competition for federal funds. Because they don't have access to the expertise in grantsmanship that larger districts have at their fingertips, these small districts tend to be squeezed out.

I do not believe that federal funds to aid elementary and secondary education should be distributed in a system that fosters and relies so heavily on the often surface skill of grantsmanship.

How complicated grantsmanship has become is obvious when you realize that the Office of Education is now administering over 100 separate categorical aid programs. Furthermore, USOE is only one of at least 2 dozen federal agencies presently administering categorical programs affecting education.

Third, categorical grant programs often tend to establish educational priorities which do not mesh with locally determined priorities. The categories themselves reflect what Congress sees as priorities for education. While there will always be broad national objectives in the area of education, as indeed there should be, I believe states and local school districts should be able to determine their own individual priorities within these broad objectives.

It is absurd for Congress to act on the assumption that each state has the same needs and priorities; yet too often categorical aid to education reflects just such an assumption. I believe that Oregon has some needs which are different from those of Florida or Maine or Kentucky,

and I believe further that state and local educational agencies very often have more capability to determine and implement these needs and establish priorities for themselves than do officials in Washington - including the Congress.

The arguments against categorical aid have been aired repeatedly over the past few years; but now I think the tide is finally turning in favor of more general aid to replace categorical programs.

The question is what mechanism should we adopt to provide general aid to education. I personally think the Revenue sharing concept offers a great deal of potential for becoming an increasingly effective mechanism for educational financing at the federal level.

I mention very briefly in passing the idea that under the general revenue sharing proposal educational districts be considered as one of the units of government to share in the no-strings distributions of federal funds. This idea deserves at least a careful look.

But I mean to comment here principally about special revenue sharing in the field of education. I am not before you today to solicit your support for the Education Revenue Sharing Act in particular. I think it's basically a good proposal and I have joined in sponsoring it. But I want to emphasize the advantages of the general approach of this bill rather than advocate its specifics.

For one thing, there are certain specifics I disagree with, such as the openended authorizations which are in the bill as introduced. The fact that the administration accompanied the proposal with a suggested budget that would keep the level of funding the same as under categorical aid in fiscal 1970 has not helped gain support for the measure.

Frankly, I think it's criminal that Congress has time after time,

in program after program, set authorization levels that lead educators to expect far, far more than is ever appropriated. I think the Education and Labor Committee in the House and the Labor and Public Welfare Committee in the Senate ought to be responsible enough to set specific authorizations for the Special Revenue Sharing proposal - indeed, for all education bills - that have some relationship to reality.

Briefly, the Education Revenue Sharing Act of 1971 as introduced in both the House and Senate would replace 33 existing federal formula grant programs in the elementary and secondary field with a single program which would automatically distribute funds to the states by formula. The funds would be used for five broad areas of national concern:

1. Education of the Disadvantaged;
2. Education of the Handicapped;
3. Vocational Education;
4. Assistance for schools in federally-affected areas; and
5. Supporting educational materials and services.

Except for the fourth category (that of aid to federally-affected areas), all of the funds under this bill would go directly to the states for distribution.

The chief executive officer of each state would designate a state agency to administer the program and also a state advisory council, broadly representative of the educational community as well as of the general public. The designated agency would be responsible for developing a comprehensive plan, utilizing the input of the state advisory council.

With the adoption of special education revenue sharing, planning

at the state level could become a whole new ballgame. State educational agencies could set their own goals within the broad objectives established by the revenue sharing program, instead of the specific goals established by categorical aid programs.

The flexibility of the states in planning would be enhanced by a provision in the proposal which would allow states to transfer up to 30% of the funds available for any of the broad purpose areas to another area. The one exception to this transfer provision would be the funds for the education of the disadvantaged.

Another significant benefit of replacing categorical aid programs with revenue sharing is that it would unleash the Office of Education, leaving it free to perform some of the functions it hasn't performed especially well in the past. One of these neglected functions is dissemination of information that could be useful to the educational community throughout the nation. In the five years I have served on the House Education and Labor Committee, one of the strongest criticisms I have heard repeatedly about the Office of Education is that it does not do an adequate job of disseminating educational information. Part of the reason that OE has fallen down in this area is that so much of its time has been consumed in the mountainous paperwork that is part and parcel of categorical aid.

The concept behind revenue sharing is returning basic decision-making authority to states and localities. I believe this concept is eminently sound when applied to education. But by no means does this mean that the federal government does not and should not have important roles to play in elementary and secondary education.

An important adjunct to the education revenue sharing program would

be the National Institute of Education, authorized in both the House and Senate versions of the Higher Education Bill. (For those of you who have followed the history of this year's so-called higher education bill, you are well aware that that title has become a misnomer.) Despite the fact that the NIE is included in the Higher Education Bill, its concern would definitely be research and development in education at all levels.

Too much of federal aid to education in the past has been allocated in a "more of the same" fashion. It is this philosophy, of course, that's been a major factor behind the proliferation of categorical aid programs. It has also contributed significantly to the appalling fact that less than one-third of one percent of our annual investment in education goes to research and development. In proposing the NIE, President Nixon said, "We must stop pretending we understand the mystery of the learning process."

The National Institute of Education will represent a clear federal commitment to solving that mystery.

As authorized by the legislation passed by the House, the NIE would be part of HEW, but separate from the Office of Education. The NIE would conduct a small amount of in-house research, but most of its work would be performed by arrangement through grant or contract with other agencies, institutions or individuals.

I for one am eager for the NIE to get underway with the task of planning and implementing meaningful research and development projects in education.

The NIE is, of course, a great deal farther on the road to enactment than special revenue sharing is. I have no doubt that the House-Senate Conference on the so-called "higher education" bill will be lengthy: but the NIE, being present in both the House and Senate bills, is in a

secure position and in one form or another will undoubtedly be in the final version of the law. But although the Senate Subcommittee on Education has at least started hearings on special education revenue sharing, the House Education and Labor Committee hasn't even scheduled any hearings yet.

I don't doubt that it will be a difficult task to replace categorical aid programs. And, as a matter of fact, I certainly don't think we should abolish categorical aid completely. As special needs arise, it may well be desirable for Congress to authorize certain categorical programs. I am convinced, however, that in almost every instance such programs should be clearly labeled as temporary measures.

The Emergency School Aid Act, which as you know was added by the House recently to the Higher Education Act, is a good example of what I mean. This legislation is targeted for a specific need that is very great right now.

Because of the special interest in this issue currently, I'd like to comment that I think the amendments passed by the House to prohibit the use of funds authorized by the bill to carry out busing plans were a serious mistake. At the very same time that federal courts are requiring districts to implement busing plans, another branch of the federal government - the House of Representatives - is doing its best to refuse help to pay for what is required by law. I think we are on the verge of being gravely remiss in our responsibilities to school districts across the nation which desperately need special financial help at this crucial time.

Temporary categorical aid may well be advisable from time to time to achieve certain national goals - such as desegregation. But permanent

categorical aid has become an increasingly unproductive mode of allocating federal dollars. Unfortunately, but inevitably, each narrow program acquires its own loyal constituency which can and frequently does act as an obstacle to updating educational financing at the federal level.

And there is a certain lingering paranoia about federal aid to education that is a hangover from the long struggle to obtain such aid. Although this paranoia is understandable, it's dangerous when it makes us afraid to try new approaches of allocating federal dollars.

I think it's apparent now that the public has not only accepted federal aid to education, but that it also places an increasingly high priority on these funds within the spectrum of federal domestic assistance programs. I think it's time we geared up the modern mechanisms by which we will in the future allocate what I hope and expect will be steadily increasing amounts of federal funds for education.

If Serrano v. Priest helps provide the impetus for this gearing up, then it will have made a major contribution to our efforts to reach that critically important goal.